

# CLIMATE ACTION TEAM

## Energy Subgroup

### Near-Term Implementation Plan

#### Emission Performance Standard

**CAT Working Group Overview:** The Energy Working Group of the Climate Action Team focuses its efforts on both green house gas emission reduction and adaptation actions affecting the energy sector.

**Working Group Agencies:** ARB, Cal/EPA, CPUC, CAISO, Energy Commission, Resources.

#### Measure / Strategy

- A) Description: The state's Emission Performance Standard (EPS) for power plants was established pursuant to SB 1368 (Perata, Chapter 598, Statutes of 2006). The California Public Utilities Commission (CPUC) adopted the standard of 1,100 lbs CO<sub>2</sub> per mega-watt hour (MWh) for investor-owned utilities and energy service providers by decision (D.07-01-039) on January 25, 2007. The Energy Commission adopted the identical standard by regulation; Title 20, California Code of Regulations, section 2900 et seq was approved by OAL on October 16, 2007. The EPS applies to all long-term investment in baseload generation, including plant construction or purchase, capital investment in utility-owned generation that increases the size of or extends the life of the plant, and contracts for output that are five years or longer in duration. "Baseload generation" is defined as a plant designed or intended to operate at or above a 60% capacity factor (utilization rate). The agencies now conduct reviews of long-term investments by utilities and energy service providers for compliance with the EPS.
- B) Agencies Involved: California Public Utilities Commission, California Energy Commission.
- C) Scoping Plan/Adaptation Plan References: None.
- D) Metrics: There is no metric whose value indicates the extent to which the EPS has been successfully implemented. The EPS fully precludes long-term investments by California utilities in power plants whose GHG emissions per MWh exceed the standard.
- E) Cross-cutting Issues: None.
- F) Tasks and Deliverables:
  - TASK 1:** Development and implementation of an EPS.
    - 1. Description: Both the CPUC and the California Energy Commission opened OIRs so as to produce an EPS as an outcome of a transparent stakeholder process. THE CPUC process culminated in a decision on January 25, 2007; the California Energy Commission adopted regulations that were approved by OAL on October 16, 2007. Implementation consists of reviewing utility and energy service provider long-term investments for EPS compliance

2. Deliverables: Development of EPS complete: decision (CPUC); adopted regulations (California Energy Commission). Implementation is a continuous process: both agencies will make compliance determinations on an ongoing basis, the CPUC through its advice letter process, the Energy Commission through receipt and review of compliance filings.
3. Agency Roles: The CPUC was responsible for developing and implementing EPS for investor-owned utilities and energy service providers; California Energy Commission was responsible for developing and implementing regulations for publicly-owned utilities.
4. Timeline: Development of regulations completed. Implementation ongoing

**G ) SUMMARY TABLE:**

<u>Deliverable</u>	Agencies	Deadline
CPUC decision	CPUC	Delivered January 25, 2007
Energy Commission regulations	CEC	Delivered October 16, 2007
Implementation	CPUC, CEC	Ongoing process with no completion date